

## **SCOPING STATEMENT**

Oil and Gas Lease Development  
Of  
**Westport Oil & Gas Company, LLC.**  
**Nicholson POD**  
Campbell County, Wyoming

USDA Forest Service  
Douglas Ranger District  
Medicine Bow-Routt National Forests  
And  
Thunder Basin National Grassland

### **Proposed Action**

The Douglas Ranger District of the Medicine Bow/Routt National Forests and Thunder Basin National Grassland is conducting an environmental analysis of a proposal by Westport Oil and Gas Company, LLC., of Denver, CO. (Westport), to develop ten (10) coal bed natural gas wells, nine (9) of which are on National Forest System lands in, Sec. 19 T43N, R71W and Sec. 14 T43N, R72W, both in the 6<sup>th</sup> PM. One well (Dilts Federal 41-30), is proposed to be drilled on private surface with Federal minerals in the NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Sec. 30 T43N, R71W. (see attached map, Exhibit A). The Bureau of Land Management (BLM) has authority over the minerals resources, however, pursuant to an agreement with the BLM, the Forest Service (FS), in this Plan of Development (POD) package, will perform the NEPA.

Westport is the leaseholder of existing oil and gas leases in the project area and under the terms of its federal oil and gas lease, on which the wells are proposed, Westport has the legal right to explore, develop, and produce oil and/or natural gas from the area defined in the lease; and for operations of a lease on National Forest System where surface-disturbing activities would be conducted pursuant to the lease. The USDA Forest Service has the authority and responsibility to approve the Surface Use Plan of Operation portion of the Application Permit to Drill (APD) The Bureau of Land Management (BLM) has the authority and responsibility to regulate drilling, down hole operations, production activities, and certain surface activities directly associated with drilling, down hole operations, and production of oil and/or natural gas, such as gathering facility arrangements, i.e., approval of the APD. Drilling and down hole operations would be performed in accordance with BLM requirements pursuant to 43 CFR 3160 (Onshore Oil and Gas Orders dealing with approvals, drilling operations, production, etc.) and other appropriate BLM regulations.

The purpose of the environmental analysis is to evaluate the site-specific means by which Westport Oil and Gas may develop this oil and gas well on National Forest System Lands. Through the environmental analysis process, the Douglas District Ranger and Buffalo BLM Field Manager would determine where and under what terms and conditions the proponent may develop their oil and gas lease while protecting the natural resources, assuring prudent recovery of the natural gas resources, and providing for public safety.

The Surface Use Plan may be viewed at the Douglas Ranger District office. Copies of portions of the Surface Use Plan that may be of direct interest to you are available. A Road Analysis will be completed by the FS staff in order to determine which access roads are needed. The proposed project location is within the boundary of that portion of the Thunder Basin National Grassland located on the eastern edge of the Powder River Basin. This project appears to be more broad than usual CBM projects, because of the separated lease areas. It is important for the deciding official to know if you have any significant issues that can be addressed up front.

Surface developments are required to be consistent with the 2001 Thunder Basin Grassland Plan direction, and the July 2002 Record of Decision; the 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland; the April 2003 Record of Decision and Resource Management Plan Amendments for the Powder River Basin Oil and Gas Project (WY-070-02-065) and other applicable laws and regulations.

The project lease area is on National Forest System Lands in the Hilgert-Bill Geographic Area of the Thunder Basin National Grassland in Campbell County, Wyoming. The Applications for Permit to Drill (APD) are for ten (10) coal bed natural gas wells, related production facilities, and associated utilities.

The project would be accessed from Wyoming State Highway 59 from two access roads. The first access is off of Wyoming State Highway 450, approximately three miles south of Wright, WY. on Highway 59. An all weather road leaves Highway 450 approximately 1.5 miles east of Highway 59 and extends south. This access reaches wells in Section 15, T43N, R72W. The second access, Edwards Road, leaves Wyoming State Highway 59 approximately 8 miles south of Wright, WY. An existing all weather road extends north off of Edwards Road, entering the southern half of Section 19, accessing wells in Sections 19 and 30, T43N, R71W.

Approximately 2.7 miles (3.9 acres total) of new two-track road would be needed to access the sites. For the exploration and drilling phase of the project, all roads will be maintained in their present state. Only roads accessing header buildings (metering facilities) are to be all weather roads. All weather access roads including crowning, ditching, and gravel surfacing would be to Forest Service specifications.

The proposed wells would be drilled to an average depth of approximately 660 feet with the deeper wells to the West. Approximately 18.9 acres of initial surface disturbance would occur, including roads, well sites, pipeline and utility corridors, water distribution lines, etc.

Lands within the project area that would not be needed for production facilities would be re-vegetated. There would be no pits utilized for production. At the end of production or if the well is plugged and abandoned without going into production, the location and access road will be restored to a condition approximating pre-use. The site and all disturbed areas would be reclaimed and reseeded in accordance with Forest Service direction in the Conditions of Approval, which are on file in the Douglas Ranger District office.

## **Purpose and Need**

The geologic Powder River basin where this project is located is a major oil and gas-producing province on a national basis. The purpose of the environmental analysis is to evaluate the site-specific means by which Westport may be afforded the opportunity to develop their mineral lease for oil and gas wells on National Forest System Lands. The purpose of this project would give Westport the opportunity exercise their lease right to explore for and develop hydrocarbon resources and provide petroleum minerals to meet the nation's energy needs. The minerals produced on federal lands would provide a significant contribution toward meeting these needs, and would return royalty revenues to the Federal Treasury.

This project would serve to meet the goal in the 2001 Land an Resource Management Plan for the Thunder Basin Grassland (Grassland Plan) to improve the capability of the Nation's Forests and Grasslands to provide a desired sustainable level of uses, values, products, and services. Objectives for mineral and energy resources under that goal are to honor all valid existing legal mineral rights and to ensure that operation and reclamation provisions of approved plans are completed to standard.

This project would fulfill the Federal Government's policy to foster and encourage mineral development, as expressed in the Mining and Minerals Policy Act of 1970. This project would also fulfill the goals of the 1920 Minerals Leasing Act, as amended, which promotes the development of oil and gas resources. The President's National Energy Policy of May 2001 and the Forest Service's Implementation of National Energy Plan of August 2001 are also fulfilled by this action.

## **Lease Requirements**

The proposed Westport project area includes three (3) leases WYW-107245, WYW-29941, and lease No. WYW-30211. The leases contain stipulations for protection of surface resources. These stipulations are for the protection of wildlife, vegetation, hydrologic and soil resources. The Forest Service would ensure that the lease stipulations would be compiled with, and are in accordance with the Grassland Plan. In some cases the requirements of the Grassland Plan standards and guidelines may exceed the requirements of these lease stipulations.

## **Area Description**

The project area is southeast of Wright, WY., within the administrative boundary of the Thunder Basin National Grassland, Douglas Ranger District in the Hilight-Bill Geographic Area (Grassland Plan p. 2-21), and within the Cheyenne River Drainage.

The project area is classified as a "semi-arid Continental" and is characterized by fairly level plains with gentle slopes. This area exhibits a healthy and diverse mix of vegetation that is typical of semi-arid areas at moderate elevations (4,700-5,300 feet). The dominant local flora consists of big sagebrush, blue grama, needlegrass, and western wheatgrass.

Other grasses include bluestem, needle, and thread grass, and prairie junegrass. Local fauna consists primarily of mule deer, antelope, coyotes, rabbits, raptors, and various smaller vertebrate and invertebrate species.

The Management Prescription for the project area is 6.1 Rangeland with Broad Resource Emphasis. (Grassland Plan p. 3-25) the project area will display low to high levels of livestock grazing, oil and gas facilities.

The Grassland Plan guideline is to manage activities to be consistent with the scenic integrity objectives. Scenic integrity for the project area is low. Numerous oil and coal bed natural gas wells can be seen from the locations. This level refers to landscapes where the landscape character appears highly development, commodity uses, and activity; density of facilities; and evidence of vegetative manipulation. Facilities supporting the various resources are common. The scenic integrity of the proposed project area is not projected to change from its current value.

## **Well Sites**

An interdisciplinary team performed onsite inspections of the proposed locations on Dec. 4, 2003 with a follow up meeting on Jan. 29, 2004. At those times potential adverse impacts were address and mitigated. The Douglas Ranger District's wildlife representative noted there would be a timing restriction during construction and drilling operations beginning Mar. 1 and ending July 15 annually for the protection of raptors and sage grouse.

During well pad preparation, there would be no need to remove topsoil from the site, except where the reserve pits are constructed. The topsoil then would be removed and stockpiled separately from the subsoil for future reclamation of the pit area. Reserve pits approximately 40 feet x 25 feet to a depth of 12 feet at each well site would contain any fluids needed during the drilling process, and would be filled and reclaimed after the well is drilled. This pit would be lined with drilling mud except where near riparian areas or areas of permeable, unconsolidated material, in which case they would be lined with approved pit-lining materials. The only fluids/waste materials, which are authorized to go into the reserve pit, are RCRA exempt exploration and production wastes. All facilities located on Federal land would be required to meet USFS visual aesthetics standards for color tone. The well site and all disturbed areas would be reclaimed and re-vegetated in accordance with USDA Forest Service land reclamation procedures and requirements. The above requirements are part of the plan of development (POD), standard lease stipulations, and/or site specific Conditions of Approval (COA).

Once production is established, these wells would be operated as part of the Nicholson POD field development. The produced water and hydrocarbons would be transported by pipelines laid in a common trench (corridor) located along access roads, below the frost line, at a depth of six (6) feet. Power lines installed for the wells would be underground in these corridors at a depth of three (3) feet. Total disturbance associated with well drilling, pipelines, and wellhead production facilities would be approximately 18.9 acres. Hydrocarbon produced from the wells located on Forest Service System land proposed in

this application would be routed to an existing booster station located in Section 13 T43N, R72W.

### **Special Investigations**

A cultural resource investigation is being performed by Greer Services. Upon receipt of that report, the Douglas Ranger District archeology staff would review the document. Should any cultural resources be found the Forest Service might require that some drilling operations be delayed or well locations be relocated within the boundaries of the lease to mitigate effects on natural resources.

A preliminary Biological Assessment/Biological Evaluation investigation report has been prepared by an independent third party consultant and would be reviewed by a Douglas Ranger District Wildlife Biologist. Under applicable laws and direction, the Forest Service may require that some drilling operation be delayed or well locations be relocated within the boundaries of the lease to mitigate effects on natural resources.

A Paleontological investigation was performed in the POD area and a report written on Feb. 18, 2003 by LaRamie Soils Service, Inc. The report was reviewed by FS Douglas Ranger District Paleontologists and will be included in the project file located at the Douglas Ranger District office.

### **Relevant Laws and Documents**

The Mineral Leasing act of 1920, as amended, and the Mineral Leasing Act of 1947, as amended, grant the Department of the Interior the responsibility and authority for management of certain Federal leasable minerals, including oil and gas, on BLM, National Forest and other Federal lands. Under the Department of the Interior, the BLM carries out these responsibilities. For NFS lands, the 1987 Federal Oil and Gas Leasing Reform Act (an amendment to the 1920 Mineral Leasing Act) granted the Secretary of Agriculture the authority to regulate all surface-disturbing activities conducted pursuant to any lease issued under the Act (oil and gas leases). Under the Secretary of Agriculture, the Forest Service carries out these responsibilities.

The Thunder Basin Nation Grassland, Land and Resource Management Plan, 2001 (Grassland Plan), and the April 22, 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland provide standards and guidelines for oil and gas development on Thunder Basin national Grassland. The leases were issued under the Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland (April 22, 1994). The leases will be developed in accordance with the Standards and Guidelines in the 2002 Grassland Plan and the PRB EIS where those standard and guidelines do not conflict with existing lease rights.

## **Decision to be Made**

Through the environmental analysis process, the Responsible Officials for the Forest Service and BLM will determine the terms and conditions under which Westport may occupy the surface and develop its oil and gas lease while protecting natural resources and providing for public access and safety.

The Responsible Official for the Forest Service would provide final approval of the Surface Use Plan of Operations, including Conditions of Approval, for each oil and gas well on NFS lands.

The Responsible Official for the BLM would provide final approval of the drilling plan and the Application for Permit to Drill (APD) for oil and gas wells on NFS lands. The APD includes the Surface Use Plan of Operations and the Drilling Plan.

## **Comments Requested**

At this time the Forest Service seeks information, comments, and other assistance from Federal, State, and local agencies, and other individuals or organizations that have an interest in, or could be affected by, the proposed action. Comments received during the official comment period, which ends 30 days after the legal notice requesting comments for this project is published in the Laramie Boomerang newspaper, will be most useful for the identification of issues and analysis of alternatives. Comments should be as specific as possible.

No other formal public participation other than this request for comment is planned. All members of the public who provide comments to this scoping will continue to receive information about this project, and be included in any additional public participation that may occur.

Those who do not respond will not receive additional information. Only those persons or organizations that submit substantive comments during the official comment period, i.e., 30 days after the first publication of the legal notice in the Laramie Boomerang newspaper, will be accepted as appellants for this project.

The name and mailing address of the commenter must be provided with his/her comments for appellant standing, and so that future documents which pertain to this environmental analysis and the decision can be provide to them. Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record on this proposed action, and will be available for public inspection. Comments submitted anonymously will be accepted and considered, however, those submitting anonymous comments will not have standing to appeal the subsequent decision under 36 CFR Part 215.

Additionally, pursuant to 7 CFR 1.27 (d), any person may request the agency to withhold a submission from the public record by showing how the Freedom of Information Act (FOIA) permits such confidentiality. Persons requesting such confidentiality should be

aware that, under the FOIA, confidentiality may be granted only in very limited circumstances, such as to protect trade secrets. The Forest Service will inform the requester of the agency's decision regarding the request for confidentiality, and where the request is denied, the agency will return the submission and notify the requester that the comments may be resubmitted, at their option, with or without their name and address within 10 days. However, comments submitted anonymously will be accepted and considered, but, those submitting anonymous comments will not have standing to appeal the subsequent decision under 36 CFR Part 215.

## **Addresses**

Send written comments to the Responsible Official: Misty A. Hays, Deputy District Ranger, Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Douglas Ranger District, 2250 East Richards Street, Douglas, WY. 82633, Attention: Leo Carter. Comments may also be sent via e-mail to: [lkcarter@fs.fed.us](mailto:lkcarter@fs.fed.us). Please specify "Westport Nicholson CBM POD" in the subject line. Faxed comments will also be accepted at: 307-358-3072.

## **For Further Information Contact**

Leo Carter, Minerals Management Specialist or Bill Steenson, NEPA Coordinator, Douglas Ranger District 2250 East Richards Street Douglas WY 82633-8922 telephone 307-358-4690

Web site: [www.fs.fed.us/r2/mbr/projects/mineral/index.shtml](http://www.fs.fed.us/r2/mbr/projects/mineral/index.shtml)

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